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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 2, 2015

CERTIFIED RETURN RECEIPT
7013 3020 0002 3659 5903

Robert Clark
1758 South 900 East
Salt Lake City, Utah 84105

Subject: Review of Reclamation Surety, Robert L. Clark, Number One Clark/Emeride Mine, S/015/0074, Emery County, Utah

Dear Mr. Clark:

The last surety estimate for the Number One Clark/Emeride Mine, S/015/0074 was done in 2010 and escalated to 2015 dollars. The surety amount needs to be adjusted to account for changes in reclamation costs.

Based on average reclamation costs, the surety amount needs to be increased from \$11,900.00 to \$14,400.00 for a three year escalation or \$14,700.00 for a five year escalation. The average reclamation costs are outlined below:

Small Mine Operation (1-5 acres) Bond Calculation Worksheet			
Number One Clark/Emeride Mine, S/015/0074			
3-year escalation (2017)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	1	\$5,000.00	\$5,000.00
Additional Mob/demob >50 miles	1	\$1,400.00	\$1,400.00
TOTAL			\$14,400.00
5-year escalation (2019)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	1	\$5,100.00	\$5,100.00
Additional Mob/demob >50 miles	1	\$1,400.00	\$1,400.00
TOTAL			\$14,700.00

Please contact the minerals bond coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov for information about submitting the additional bond. Your current bond is in the form of certificate of deposit. You may increase the amount in the



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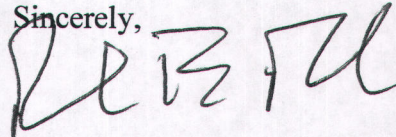
certificate of deposit, or you may submit a new certificate of deposit, a letter of credit, cash, or a surety bond for either the increased or full amount. Bonding forms are available on the Internet at <http://www.ogm.utah.gov/minerals/MINERALSFORMS.htm>.

As an alternative to increasing the surety amount, the reclamation liability can be decreased by reclaiming a portion of the site and amending the Notice of Intention to Commence Small Mining Operations to show the decreased acreage. If you decide to pursue this option, please contact the lead inspector Wayne Western at 801 538-5263. The Division would need to continue to hold adequate surety for the reclaimed area while vegetation is becoming established.

Please provide the additional surety or perform the reclamation no later than December 4, 2015.

Thank you for your help in keeping the surety current. Please contact the permit lead for this mine, Wayne Western, at 801-538-5263 if you have questions concerning this requirement.

Sincerely,



Paul B. Baker
Mining Program Manager

PBB:whw:pb

cc: John Blake SITLA (jblake@utah.gov)

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